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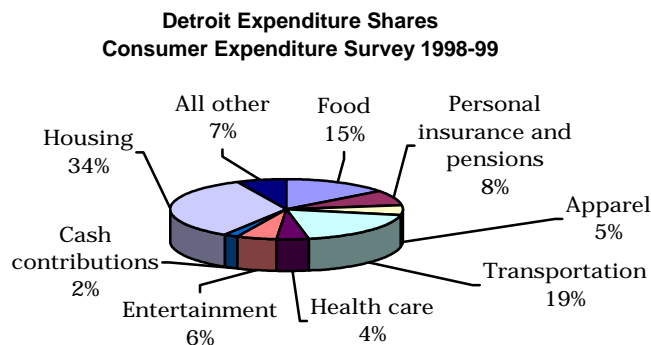
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CONSUMER SPENDING PATTERNS IN DETROIT-ANN ARBOR-FLINT, MICHIGAN, 1998-99

Consumer units¹ in the Detroit-Ann Arbor-Flint, Michigan, metropolitan area spent an average of \$38,120 per year in 1998-99, 7.8 percent more than in 1996-97 and 5.1 percent more than the national average. Detroit area consumers spent 20.4 percent more on average for apparel and 15.1 percent more for entertainment than did households nationwide. However, out-of-pocket expenses in Detroit for health care, cash contributions, and personal insurance and pensions were among the lowest in the Nation. (See table 1.)

The average Detroit household spent a slightly larger share of its total budget for food, housing, and transportation (67.6 percent) than the average U.S. household (65.1 percent). (See table 2.) The percentage of Detroit's budget spent on these three items was also higher than in other selected metropolitan areas in the



Midwest—Chicago, Cleveland and Minneapolis-St. Paul. (See technical note for a compilation of the set of areas contained within the four metropolitan areas discussed.)

This report contains annual data averaged over a two-year period - 1998 and 1999. The data are from the Consumer Expenditure Survey, which is conducted on an ongoing basis by the Bureau of Labor Statistics (BLS). The Bureau of the Census collects the survey data for BLS. The Consumer Expenditure Survey is the only national survey that provides both complete data on household expenditures and the demographic characteristics of those households. Survey data cannot be used

¹ See technical note for definition of a consumer unit. The terms consumer unit and household are used interchangeably throughout the text for convenience.

to make cost of living comparisons between areas. Expenditures vary among areas not only because of economic factors such as the price of goods and services and family income, but also because of differences such as the age of the population, climate, consumer tastes, family size, etc. The survey provides average expenditures for consumer units. An individual consumer unit may spend more or less than the average, depending on its particular characteristics.

On average, spending on housing accounted for 34.2 percent of total household expenditures in the Detroit area. Elsewhere in the Midwest, Chicago consumers spent a larger share of their budget (36.0 percent) on housing costs than did those in Detroit, while households in Cleveland and Minneapolis-St. Paul spent less--31.7 and 30.9 percent, respectively. Nationally, households spent 32.7 percent on housing in the 1998-99 period. The majority of housing expenditures in Detroit (58.4 percent) went for shelter, which includes mortgage interest, property taxes, repairs, and rent, among other items. Twenty percent of total housing expenditures went for utilities, fuels and services. Both the shelter and the utilities expenditure shares were similar to the national averages. The rate of homeownership in Detroit, at 71 percent, was above the national average of 65 percent.

Transportation was the second largest expenditure category in the Detroit area, accounting for 18.8 percent of a household's budget, matching that for the Nation. Likewise, the proportion of expenditures spent on transportation in both Cleveland and Minneapolis-St. Paul were close to the nationwide average, while Chicago's fell below at 16.3 percent. Of the \$7,162 annual expenditure on transportation in Detroit, 94 percent was spent buying and maintaining private vehicles. The average number of private vehicles per household in Detroit was 2.0, close to the national average of 1.9 vehicles. In the other three Midwestern cities, the average ranged from 2.6 vehicles per household in Minneapolis-St. Paul to 1.6 in Chicago. The remaining 6 percent of a Detroit household's transportation costs was spent on public transportation.

Detroit consumers spent 14.6 percent of their budget on food. Among the three other areas in the Midwest, food expenditures in Chicago and Cleveland were closer to the national average of 13.6 percent, and lowest in Minneapolis-St. Paul at 11.9 percent. Detroit households spent 56 percent of their food budget on food prepared at home, not much different from the national average of 57.9 percent. The remaining 44 percent was spent on food prepared away from home, such as restaurant meals, carry-outs, board at school, and catered affairs.

Payments for personal insurance and pensions accounted for 8.1 percent of the typical Detroit household budget, the lowest share among the four Midwest areas. This was also less than the 9.4 percent share spent nationally. Social Security and pension contributions accounted for almost 90 percent of a Detroit consumer's expenses in this category.

Spending on apparel and related services accounted for 5.4 percent of total expenditures in Detroit. This was above the 4.7 percent national average and higher than the share spent on clothing in the other three Midwest metropolitan areas.

Four and a half percent of a Detroit household's budget went to cover out-of-pocket medical expenses--health insurance premiums, medical services, drugs

(prescription and nonprescription) and medical supplies—close to the share spent by households in Cleveland and Minneapolis-St. Paul. Health care costs in Chicago, however, accounted for a larger share of the household budget at 5.1 percent, not much different from the 5.3 percent spent nationally.

Detroit area consumers spent 5.6 percent of their budgets on entertainment; only households in Cleveland spent a larger share (6.1 percent) on this component. Nationwide, households spent an average of 5.1 percent of their budget on entertainment.

Cash contributions accounted for 1.8 percent of consumer spending in Detroit, well below the 3.2 percent national average, and the lowest percentage among the four Midwestern areas.

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Additional Data Available

Data tables are available for the four Census regions and for the national average. These tables may be obtained from the Bureau's automated Fax-on-Demand service. See below. Additional tables are offered under the heading "*Tables*" on the BLS Internet site (<http://www.bls.gov/csxhome.htm>).

BLS Fax-on-Demand - Chicago (312) 353-1880	Number of pages	Document no.
Consumer Expenditures in 1999 - national news release (annual)	2	2705
CEX expenditure data -		
By quintiles of income before taxes (Table 1)	4	2710
By income before taxes (Table 2)	4	2715
By age of reference person (Table 3)	4	2720
By size of consumer unit (Table 4)	4	2725
By composition of consumer unit (Table 5)	4	2730
By number of earners (Table 6)	4	2735
By housing tenure, race, Hispanic origin, and type of area - urban or rural (Table 7)	4	2740
By region of residence (Table 8)	4	2745
By occupation of reference person (Table 9)	4	2750
By education of reference person (Table 10)	4	2760

Technical Note

The current Consumer Expenditure Survey program began in 1980. Its principal objective is to collect information on the buying habits of American consumers. The consumer expenditure data are used in a wide variety of research by government, business, labor, and academic analysts. The data are also required for periodic revision of the Consumer Price Index (CPI).

The survey consists of two components: A Diary or recordkeeping survey completed by participating consumer units for two consecutive 1-week periods, and an Interview survey in which the expenditures of consumer units are obtained in five interviews conducted every 3 months. The data presented in this release are based on integrated data from both surveys.

The metropolitan statistical areas covered by the Consumer Expenditure Survey represent areas designated by the U.S. Office of Management and Budget and are based on definitions in effect as of December 1992. Due to a change in sampling frame and in area definitions, local data for the 1998-99 period are not directly comparable to data prior to 1996. The following are definitions of the metropolitan areas discussed in this release:

Detroit-Ann Arbor-Flint, Michigan, includes the counties of Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne.

Cleveland-Akron, Ohio, includes the counties of Ashtabula, Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, and Summit.

Chicago-Gary-Kenosha, Illinois-Indiana-Wisconsin, includes the counties of Cook, DeKalb, DuPage, Grundy, Kankakee, Kane, Kendall, Lake, McHenry, and Will in Illinois; Lake and Porter in Indiana; and Kenosha in Wisconsin.

Minneapolis-St. Paul, Minnesota-Wisconsin, includes the counties of Anoka, Carver, Chicago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright in Minnesota; and Pierce and St. Croix in Wisconsin.

Definitions

Consumer unit A single person living alone or sharing a household with others but who is financially independent; members of a household related by blood, marriage, adoption, or other legal arrangement; or two or more persons living together who share responsibility for at least 2 out of 3 major types of expenses - food, housing, and other expenses. The term's household or consumer unit are used interchangeably for convenience.

Complete income reporter In general, a consumer unit that provides values for at least one of the major sources of its income such as wages and salaries, self employment income, or Social Security income. Even complete income reporters may not have provided a full accounting of all income from all sources.

Table 1. Average annual expenditures and characteristics of all consumer units, U.S. average and selected Midwestern metropolitan statistical areas, Consumer Expenditure Survey, 1998-99

Item	United States Average	Detroit	Chicago	Cleveland	Minneapolis- St. Paul
Income before taxes <u>1/</u>	\$42,770	\$47,539	\$47,591	\$47,202	\$58,032
Age of reference person	47.8	47.2	48.3	49.7	47.0
Earners	1.3	1.3	1.4	1.3	1.5
Vehicles	1.9	2.0	1.6	2.0	2.6
Percent homeowner	65	71	64	71	68
Average annual expenditures	\$36,267	\$38,120	\$38,156	\$37,692	\$48,444
Food	4,921	5,580	5,092	4,940	5,778
Food at home	2,848	3,126	2,802	2,892	3,050
Food away from home	2,073	2,454	2,290	2,048	2,728
Alcoholic beverages	313	346	411	295	507
Housing	11,843	13,018	13,732	11,944	14,973
Shelter	6,850	7,599	8,408	6,942	8,811
Utilities, fuels and services	2,391	2,607	2,647	2,523	2,284
Household operations	606	673	520	410	1,003
Housekeeping supplies	490	558	567	554	659
Household furnishings	1,506	1,582	1,590	1,515	2,217
Apparel and services	1,708	2,056	1,888	1,777	1,979
Transportation	6,815	7,162	6,233	7,133	8,847
Vehicle purchases (net outlay)	3,136	2,854	2,779	3,471	4,175
Gasoline and motor oil	1,036	1,054	928	916	1,172
Other vehicle expenses	2,230	2,835	1,958	2,304	2,891
Public transportation	413	419	568	442	610
Health care	1,931	1,701	1,951	1,661	2,262
Entertainment	1,844	2,123	1,771	2,294	2,498
Personal care	405	532	429	481	526
Reading	160	178	151	201	247
Education	607	399	938	632	767
Tobacco	287	403	266	321	344
Miscellaneous	874	831	778	1,351	1,402
Cash contributions	1,150	685	1,249	939	1,454
Personal insurance and pensions	3,409	3,106	3,267	3,723	6,859

1/ Components of income and taxes are derived from "complete income reporters" only; see technical note for definition.

Table 2. Distribution of expenditures, U.S. average and selected Midwestern metropolitan statistical areas, Consumer Expenditure Survey, 1998-99

Item	United States Average	Detroit	Chicago	Cleveland	Minneapolis- St. Paul
Average annual expenditures	\$36,267	\$38,120	\$38,156	\$37,692	\$48,444
Percent distribution:	100.0	100.0	100.0	100.0	100.0
Food	13.6	14.6	13.3	13.1	11.9
Food at home	7.9	8.2	7.3	7.7	6.3
Food away from home	5.7	6.4	6.0	5.4	5.6
Alcoholic beverages	.9	.9	1.1	.8	1.0
Housing	32.7	34.2	36.0	31.7	30.9
Shelter	18.9	19.9	22.0	18.4	18.2
Utilities, fuels and services	6.6	6.8	6.9	6.7	4.7
Household operations	1.7	1.8	1.4	1.1	2.1
Housekeeping supplies	1.4	1.5	1.5	1.5	1.4
Household furnishings	4.2	4.2	4.2	4.0	4.6
Apparel and services	4.7	5.4	4.9	4.7	4.1
Transportation	18.8	18.8	16.3	18.9	18.3
Vehicle purchases (net outlay)	8.6	7.5	7.3	9.2	8.6
Gasoline and motor oil	2.9	2.8	2.4	2.4	2.4
Other vehicle expenses	6.1	7.4	5.1	6.1	6.0
Public transportation	1.1	1.1	1.5	1.2	1.3
Health care	5.3	4.5	5.1	4.4	4.7
Entertainment	5.1	5.6	4.6	6.1	5.2
Personal care	1.1	1.4	1.1	1.3	1.1
Reading	.4	.5	.4	.5	.5
Education	1.7	1.0	2.5	1.7	1.6
Tobacco	.8	1.1	.7	.9	.7
Miscellaneous	2.4	2.2	2.0	3.6	2.9
Cash contributions	3.2	1.8	3.3	2.5	3.0
Personal insurance and pensions	9.4	8.1	8.6	9.9	14.2

1/ Components of income and taxes are derived from "complete income reporters" only; see technical note for definition.